

**UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA**

In re: Mark Kesel

Case No. 10-41653

**CHAPTER 11  
MONTHLY OPERATING REPORT  
(SMALL REAL ESTATE/INDIVIDUAL CASE)**

**SUMMARY OF FINANCIAL STATUS**

**MONTH ENDED:** 02/28/10

**PETITION DATE:** 02/16/10

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).

Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure	<u>\$25,100</u>	<u></u>	<u></u>
a. Current Assets	<u>\$2,683,264</u>	<u></u>	<u>\$2,645,342</u>
b. Total Assets	<u></u>	<u></u>	<u></u>
c. Current Liabilities	<u>\$1,100</u>	<u></u>	<u></u>
d. Total Liabilities	<u>\$4,083,606</u>	<u></u>	<u></u>
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
a. Total Receipts	<u>\$6,979</u>	<u></u>	<u>\$6,979</u>
b. Total Disbursements	<u>\$6,775</u>	<u></u>	<u>\$6,775</u>
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	<u>\$204</u>	<u>\$0</u>	<u>\$204</u>
d. Cash Balance Beginning of Month	<u>\$0</u>	<u></u>	<u>\$0</u>
e. Cash Balance End of Month (c + d)	<u>\$204</u>	<u>\$0</u>	<u>\$204</u>
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	<u>Cumulative (Case to Date)</u>
5. Account Receivables (Pre and Post Petition)	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
6. Post-Petition Liabilities	<u>\$0</u>	<u></u>	<u></u>
7. Past Due Post-Petition Account Payables (over 30 days)	<u>\$1,100</u>	<u></u>	<u></u>
	<u>\$0</u>	<u></u>	<u></u>

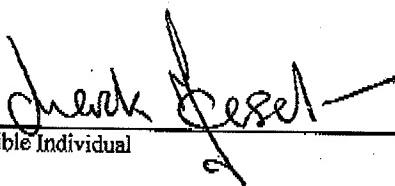
**At the end of this reporting month:**

- |     |   |            |           |
|-----|---|------------|-----------|
| 8.  | Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)   | <u>Yes</u> | <u>No</u> |
| 9.  | Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)   | <u></u>    | <u>X</u>  |
| 10. | If the answer is yes to 8 or 9, were all such payments approved by the court?   | <u></u>    | <u>X</u>  |
| 11. | Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)  | <u></u>    | <u>X</u>  |
| 12. | Is the estate insured for replacement cost of assets and for general liability?   | <u></u>    | <u>X</u>  |
| 13. | Are a plan and disclosure statement on file?  | <u></u>    | <u>X</u>  |
| 14. | Was there any post-petition borrowing during this reporting period?   | <u></u>    | <u>X</u>  |
| 15. | Check if paid: Post-petition taxes <u>  </u> ; U.S. Trustee Quarterly Fees <u>  </u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u>X</u> . (Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) |            |           |

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 3-19-10

Responsible Individual



**BALANCE SHEET**  
 (Small Real Estate/Individual Case)  
 For the Month Ended 02/28/10

		<u>Check if Exemption Claimed on Schedule C</u>	<u>Market Value</u>
<b>Assets</b>			
<b>Current Assets</b>			
1 Cash and cash equivalents (including bank accts., CDs, etc.)			\$100
2 Accounts receivable (net)			
3 Retainer(s) paid to professionals			
4 Other: <u>Retainer to Bankruptcy Attorney</u>			\$25,000
5			
<b>6 Total Current Assets</b>			<b>\$25,100</b>
<b>Long Term Assets (Market Value)</b>			
7 Real Property (residential)			\$859,000
8 Real property (rental or commercial)			\$1,500,000
9 Furniture, Fixtures, and Equipment	X		\$5,225
10 Vehicles	X		\$4,000
11 Partnership interests			
12 Interest in corporations			
13 Stocks and bonds			\$5,235
14 Interests in IRA, Keogh, other retirement plans	X		\$283,000
15 Other: <u>Squall balances from bank accts.</u>			\$304
16 Personal items	X		\$1,400
<b>17 Total Long Term Assets</b>			<b>\$2,658,164</b>
<b>18 Total Assets</b>			<b>\$2,683,264</b>
<b>Liabilities</b>			
<b>Post-Petition Liabilities</b>			
<b>Current Liabilities</b>			
19 Post-petition not delinquent (under 30 days)			\$1,100
20 Post-petition delinquent other than taxes (over 30 days)			
21 Post-petition delinquent taxes			
22 Accrued professional fees			
23 Other:			
24			
<b>25 Total Current Liabilities</b>			<b>\$1,100</b>
<b>26 Long-Term Post Petition Debt</b>			
<b>27 Total Post-Petition Liabilities</b>			<b>\$1,100</b>
<b>Pre-Petition Liabilities (allowed amount)</b>			
28 Secured claims (residence)			\$859,000
29 Secured claims (other)			\$1,500,000
30 Priority unsecured claims			\$87,183
31 General unsecured claims			\$1,636,323
<b>32 Total Pre-Petition Liabilities</b>			<b>\$4,082,506</b>
<b>33 Total Liabilities</b>			<b>\$4,083,606</b>
<b>Equity (Deficit)</b>			
<b>34 Total Equity (Deficit)</b>			
<b>35 Total Liabilities and Equity (Deficit)</b>			<b>\$4,083,606</b>

**NOTE:**

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

## SCHEDULES TO THE BALANCE SHEET

### Schedule A Rental Income Information

**List the Rental Information Requested Below By Properties (For Rental Properties Only)**

	<u>Property 1</u>	<u>Property 2</u>	<u>Property 3</u>
1 Description of Property			
2 Scheduled Gross Rents			
Less:			
3 Vacancy Factor			
4 Free Rent Incentives			
5 Other Adjustments			
6 Total Deductions	\$0	\$0	\$0
7 Scheduled Net Rents	\$0	\$0	\$0
8 Less: Rents Receivable (2)			
9 Scheduled Net Rents Collected (2)	\$0	\$0	\$0

(2) To be completed by cash basis reporters only.

### Schedule B Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>
10 Bank	Wells Fargo Bank		
11 Account No.	9526265245		
12 Account Purpose	DIP		
13 Balance, End of Month	\$5,092		
14 Total Funds on Hand for all Accounts	\$5,092		

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

# STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 02/28/10

		Actual Current Month	Cumulative (Case to Date)
<b>Cash Receipts</b>			
1 Rent/Leases Collected			
2 Cash Received from Sales			
3 Interest Received			
4 Borrowings			
5 Funds from Shareholders, Partners, or Other Insiders			
6 Capital Contributions			
7 Net Rents Procds including laundry income		\$6,979	\$6,979
8			
9			
10			
11			
<b>12 Total Cash Receipts</b>		<u>\$6,979</u>	<u>\$6,979</u>
<b>Cash Disbursements</b>			
13 Selling			
14 Administrative			
15 Capital Expenditures			
16 Principal Payments on Debt			
17 Interest Paid			
18 Rent/Lease:			
19      Personal Property			
20      Real Property			
21 Amount Paid to Owner(s)/Officer(s)			
22      Salaries			
23      Draws			
24      Commissions/Royalties			
25      Expense Reimbursements			
26      Other			
27 Salaries/Commissions (less employee withholding)			
28 Management Fees			
29 Taxes:			
30      Employee Withholding			
31      Employer Payroll Taxes			
32      Real Property Taxes			
33      Other Taxes			
34 Other Cash Outflows:			
35      Living Expenses		\$4,000	\$4,000
36      Mortgage Payment		\$2,775	\$2,775
37 <b>Total Cash Disbursements:</b>		<u>\$6,775</u>	<u>\$6,775</u>
<b>38 Net Increase (Decrease) in Cash</b>		<u>\$204</u>	<u>\$204</u>
<b>39 Cash Balance, Beginning of Period</b>			
<b>40 Cash Balance, End of Period</b>		<u>\$204</u>	<u>\$204</u>